

COUNCIL ON INTERNATIONAL ECONOMIC POLICY

March 30, 1972

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CIEP*

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MEMORANDUM FOR: Paul V. Walsh
Assistant Deputy Director
for Intelligence

FROM: Robert L. Price *RP*

SUBJECT: Prospective CIEP Legislation

Paul --

CIEP has been nurturing a bill sponsored by Congressman Ashley (Dem. Ohio) and Senator Brock (Rep. Tenn.) - HR 8180 - (see attachment) that hopefully will be attached to the extension of the Export Administration Act of 1969, which expires May 1. This version of the bill is not yet in committee print but will be shortly. CIEP does not wish to call any publicity to the bill, either among other government departments, or for that matter with the NSC. As you noted, the bill calls for a strong CIEP coordinating authority in international economic affairs, as well as the preparation of an annual Presidential report on the international economic position of the United States. If the bill passes Congress in May, CIEP will then request an appropriation from Congress for staffing, and also work with the Civil Service Commission, at least as far as supergrades are needed. I think CIEP is seeking some six or eight. At best, all this could be accomplished by mid-summer. Our CIEP man on this matter is doubtful that the appropriation will make it through on schedule and has some doubts as well on this particular version of the bill. Thus, this version should be considered as subject to possible pitfalls before final passage.

Attachment

A BILL -- H. R. 8180

To extend the Export Administration Act of 1969, to encourage diplomatic efforts to improve international monetary mechanisms, to eliminate certain foreign investment controls, to establish a Council on International Economic Policy, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the
2 United States of America in Congress assembled,

3 SHORT TITLE

4 SECTION 1. This Act may be cited as the "International Economic
5 Policy Act of 1971".

6 STATEMENT OF PURPOSES

7 SEC. 2. It is the purposes of this Act to--

8 (1) foster the expansion and balanced growth of inter-
9 national trade, and to contribute thereby to the promotion and
10 maintenance of a high level of employment and real income and
11 to the increased development of the productive resources of
12 the United States;

13 (2) provide for continuation of authority for the regulation
14 of exports;

15 (3) provide for closer Federal interagency coordination
16 in the development of a more rational and orderly international
17 economic policy for the United States.

1 TITLE I--EXTENSION OF THE EXPORT

2 ADMINISTRATION ACT OF 1969

3 SEC. 101. Section 14 of the Export Administration Act of 1969
4 is amended by striking out "June 30, 1971" and inserting in lieu
5 thereof "June 30, 1975".

6 TITLE II--SENSE OF THE CONGRESS WITH RE-

7 SPECT TO THE INTERNATIONAL ECONOMY

8 SEC. 201. The Congress finds that the present imbalance in
9 international trade and payments should be remedied principally
10 through the employment of certain monetary mechanisms rather
11 than through the use in considerable part of quotas, tariffs, and
12 capital controls. It is therefore the sense of Congress that the
13 President, to diminish trade imbalances and the threat of a severe
14 disruption of the progress made in international trade policy, should
15 take initiatives within the framework of the International Monetary
16 Fund to implement improved monetary mechanisms such as more
17 flexible exchange rates.

18 TITLE III--COUNCIL ON INTERNATIONAL

19 ECONOMIC POLICY

20 FINDINGS AND PURPOSE

21 SEC. 301. The Congress finds that there are many activities
22 undertaken by various departments, agencies, and instrumentalities
23 of the Federal Government which, in the aggregate, constitute the
24 domestic and international economic policy of the United States.

1 The Congress further finds that the objectives of the United States
2 with respect to a sound and purposeful international economic policy
3 can be better accomplished through the closer coordination of
4 (A) domestic and foreign economic activity, and (B) in particular,
5 that economic behavior which, taken together, constitutes
6 United States international economic policy. It is therefore the
7 purpose of this title to establish a Council on International Economic
8 Policy which will provide for a (A) clear top level focus for the
9 full range of international economic issues; deal with international
10 economic policies including trade, investment, balance of payments,
11 and finance as a coherent whole; (B) consistency between domestic
12 and foreign economic policy; (C) close coordination with basic
13 foreign policy objectives. It is the further purpose of Congress to
14 provide the Council with the opportunity to (A) investigate problems
15 with respect to the coordination, implementation, and long-range
16 development of international economic policy and (B) make appro-
17 priate findings and recommendations for the purpose of assisting
18 in the development of a rational and orderly international economic
19 policy for the United States.

20 CREATION OF COUNCIL ON INTERNATIONAL ECONOMIC
21 POLICY

22 SEC.302 . There is created in the Executive Office of the
23 President a Council on International Economic Policy (hereinafter

1 referred to in this title as the "Council").

2 MEMBERSHIP

3 SEC. 303. The Council shall be composed of the following
4 members and such additional members as the President may designate:

- 5 (1) The President.
- 6 (2) The Secretary of State.
- 7 (3) The Secretary of the Treasury.
- 8 (4) The Secretary of Defense
- 9 (5) The Secretary of Agriculture.
- 10 (6) The Secretary of Commerce.
- 11 (7) The Secretary of Labor.
- 12 (8) The Director of the Office of Management
13 and Budget.
- 14 (9) The Chairman of the Council of Economic
15 Advisers.
- 16 (10) The Special Representative for Trade Nego-
17 tiations.

18 The President shall be the Chairman of the Council and shall preside
19 over the meetings of the Council; in his absence he may designate a
20 member of the Council to preside in his place.

1 DUTIES OF THE COUNCIL

2 Sec. 304. Subject to the direction of the President, and in addition to
3 performing such other functions as he may direct, it shall be the
4 duty of the Council to --

5 (1) assist and advise the President in the preparation of the
6 International Economic Report;

7 (2) review the activities and the policies of the U. S. Govern-
8 ment which indirectly or directly relate to international economics
9 and, for the purpose of making recommendations to the President
10 in connection therewith, consider with some degree of specificity
11 the substance and scope of the international economic policy of the
12 United States, which consideration shall include examination of the
13 economic activities of (A) the various agencies, departments, and
14 instrumentalities of the Federal Government, (B) the several States,
15 and (C) private industry;

16 (3) collect, analyze, and evaluate authoritative information,
17 current and prospective, concerning international economic matters;

18 (4) consider policies and programs for coordinating the activities
19 of all the departments and agencies of the United States with one
20 another for the purpose of accomplishing a more consistent inter-
21 national economic policy, and make recommendations to the President
22 in connection therewith;

1 (F) increasing the real employment and income
2 of workers and consumers on the basis of international
3 economic activity.

4 REPORT

5 Sec. 305. (a) The President shall transmit to Congress
6 within 60 days after the beginning of each regular session (com-
7 mencing with the year 1973) a report on the international economic
8 position of the United States (herinafter called the "International
9 Economic Report") setting forth

10 (1) information and statistics describing characteristics
11 of international economic activity and identifying significant
12 current and foreseeable trends and developments;

13 (2) a review of the international economic program of
14 the Federal Government and a review of domestic and foreign
15 economic conditions and other significant matters affecting
16 the balance of international payments of the United States
17 and of their effect on the international trade, investment,
18 financial, and monetary position of the United States; and

19 (3) a program for carrying out the policy declared in
20 Section 301, together with such recommendations for legis-
21 lation as he may deem necessary or desirable."

1 (b) The President may transmit from time to
2 time to the Congress reports supplementary to the International
3 Economic Report, each of which may include such supplementary
4 or revised recommendations as he may deem necessary or de-
5 sirable to achieve the purposes and policy objectives set forth
6 in Section 301.

7 EXECUTIVE DIRECTOR AND STAFF OF THE COUNCIL

8 Sec. 306. (a) The Staff of the Council shall be headed by an
9 Executive Director who shall be appointed by the President. It
10 shall be the duty of the Executive Director to --

11 (1) direct the activities of the Council staff,

12 (2) develop the agenda and supporting materials
13 for Council meetings and review all matters before the
14 Council,

15 (3) establish a work program, including topics and
16 the selection of individuals to carry out particular assignments.

17 (b) (1) With the approval of the Council, the Executive
18 Director may appoint and fix the compensation of such staff as he
19 deems necessary, provided, however, that he may fix the compen-
20 sation of one officer at a rate of basic compensation not to exceed
21 the rate now or hereafter provided for Level IV of the Federal
22 Executive Salary Schedule; and fix the compensation of two
23 officers at rates of basic compensation not to exceed

1 the rate now or hereafter provided for Level V of the Federal
2 Executive Salary Schedule;

3 (2) The staff of the Council shall be appointed subject to the
4 provisions of title 5, United States Code, governing appointments
5 in the competitive service, and shall be paid in accordance with
6 the provisions of chapter 51 and subchapter III of chapter 53 of
7 such title relating to classification and General Schedule pay rates.

8 (c) With the approval of the Council, the Executive Director
9 may procure temporary and intermittent services to the same
10 extent as is authorized by section 3109 of title 5, United States
11 Code, at rates not to exceed the daily equivalent of the rate now
12 or hereafter provided for GS - 18.

13 (d) Upon request of the Executive Director, the head of
14 any Federal agency is authorized to detail, on a reimbursable
15 basis, any of its personnel to the Council to assist it in carrying
16 out its duties under this title.

17 AUTHORIZATION FOR APPROPRIATIONS

18 Sec. 307. There is authorized to be appropriated each
19 fiscal year such sums as may be necessary to carry out the
20 purposes of this title.